

EAST-WEST MINISTRIES INTERNATIONAL

GIFT ACCEPTANCE POLICY

To protect the interests of the East-West Ministries International (hereinafter referred to as the "Ministry") and the persons and entities who support its causes, this Gift Acceptance Policy (hereinafter referred to as the "Policy") is designed to assure that all gifts to, or for the use of, charitable causes are structured to provide maximum benefit to all parties involved.

The Ministry shall execute no planned giving agreement without the advice of legal counsel. Prospective donors shall be strongly encouraged to seek their own legal and/or tax counsel in matters relating to their charitable gifts, taxes, and estate plans.

The goal of this Policy is to encourage giving to the Ministry without encumbering the Ministry with gifts that cost more than benefit the Ministry. The goal is also to avoid gifts that the donor restricts in a manner inconsistent with the goals of the Ministry.

To facilitate the receipts of gifts and bequests, the Ministry must be capable of responding quickly and in the affirmative, where possible, to all gifts offered by prospective donors. Unless stated otherwise, the Board of Directors (hereinafter referred to as the "Board") intends that this Policy applies to all gifts.

Complex gifts will not be accepted until a review by professional advisor(s) is complete. Complex gifts may include but are not limited to closely held securities, real property including interests in oil, gas, or other minerals, valuable personal property, life insurance, or other property including notes, copyrights, or royalties. Prospective donors with gift intentions very near the end of the calendar year shall be informed that proper review by professional advisor(s) of complex gifts may delay acceptance of the gift(s) beyond the year end.

I. Gifts of:

A. Cash

1. The Ministry will accept gifts in the form of cash, online debit and credit cards, and checks regardless of amount, unless: (a) a question exists as to whether the donor has legal title to the asset; or (b) a question exists as to the legal capacity of the donor to transfer funds.
2. Donors shall make all checks payable to East-West Ministries International and donors shall never make checks payable to an employee, director, agent, or volunteer for the credit of the Ministry.

B. Publicly Traded Securities

The Ministry shall accept publicly traded securities. The donor may anticipate that the Ministry may immediately sell such securities.

C. Closely-Held Securities

The Ministry may only accept closely-held securities upon review by the Executive Leadership Team (ELT) and written approval by a member of the ELT. The ELT will review these securities using the following criteria:

1. There is a readily available market for their disposition
2. Accepting such securities will not create any potential liability to the Ministry.
3. The closely held entity engages in no activities that would be inconsistent with Ministry objectives.
4. The Ministry has identified whether the security will generate unrelated business income taxes (UBIT).

D. Real Property.

The Ministry may only accept real estate upon review by the ELT and written approval by a member of the ELT. Board approval is required for gifts of real estate with a value exceeding \$100,000. The ELT will consider real estate under the following criteria.

1. The Ministry may require that a licensed appraiser issue an appraisal of the real estate before acceptance. The licensed appraiser shall not have any business or other relationship with the donor. The costs of the appraisal shall be borne by the donor.
2. The Ministry cannot accept any gift of real estate until the Ministry determines that no environmental waste contaminates the property. The Ministry may require a Level I Environmental Survey. All costs related to the survey will be borne by the donor.
3. In general, residential real estate located within the state of Texas will be accepted, unless the Ministry shall determine for some reason that the property is not suitable for acceptance.
4. Special deliberation shall be given to the receipt of real estate encumbered by a mortgage, as the administration of such property may give rise to unrelated business income for the Ministry, as well as payments, taxes and insurance that may burden the Ministry's finances.
5. The Ministry may choose to accept royalty interests in oil, gas, or other minerals. Before accepting such interests, the Ministry shall engage legal counsel and other professional advice, where appropriate, to evaluate whether accepting the gift exposes the Ministry to

environmental or other liabilities. The Ministry shall not accept working interests.

E. Tangible Personal Property

1. Jewelry, artwork, collections, and other personal property shall generally not be accepted unless the employee, agent or volunteer working on behalf of the Ministry shall have reason to believe the property has a value in excess of \$1,000. Such property can only be accepted on behalf of the Ministry upon review by the ELT under direction of the Board. The Ministry may utilize third party facilitators when accepting gifts of tangible personal property.

2. No personal property shall be accepted by the Ministry unless there is reason to believe the property can be quickly sold. No personal property shall be accepted that obligates the Ministry to retain it in perpetuity. No perishable property or property which will require special facilities or security to properly safeguard it will be accepted without prior written approval of a member of the ELT.

3. Notwithstanding the forgoing, if there is reason to believe personal property has a value of \$1,000 or more, it may only be accepted after receipt and review by the ELT or those empowered to act on its behalf, after an appraisal qualified under the terms of the Internal Revenue Code governing gifts of personal property.

F. Other Property

Other property of any description including mortgages, notes, copyrights, royalties, easements, whether real or personal, shall only be accepted by further action of the ELT or persons duly acting on its behalf.

G. Social Responsibility

In keeping with the mission and goals of the Ministry, the Ministry may refuse the donation of assets that are not compatible with the Ministry's social responsibilities or that conflict with the mission of the Ministry.

II. **Deferred Gifts**

A. Bequests

1. The Ministry shall actively encourage gifts through wills, trusts, retirement accounts, and life insurance.

2. In the event of inquiry by a prospective donor, representations as to the acceptability of a bequest to the Ministry shall be made in

accordance with this Gift Acceptance Policy only.

3. The Ministry shall at all times retain the right to refuse a gift from an individual or from an estate when it is not in the best interest of the Ministry to accept the gift.

4. When the Ministry is the recipient of a gift from a will or trust, the Ministry shall review the restrictions upon the gift and determine if it is in the best interests of the Ministry to accept the gift.

5. The Ministry will not accept a gift that might result in conflict within the Ministry or confusion as to the utilization of the gift or that might create an undue financial burden upon the Ministry.

6. When the Ministry receives an unrestricted estate gift, the ELT shall determine its highest and best use at the time.

7. In the event unrestricted funds are not needed for the ordinary and everyday expenses of the Ministry, unrestricted gifts may be accepted as an addition to a donor or Ministry created endowment fund or quasi-endowment fund.

B. Life Estate Gifts

1. Donors shall generally not be encouraged to make gifts of a remainder interest in real property in which the donor retains a life estate.

2. This policy is based upon the possibility that the donor may need to sell the home in the future and find that the value of the life estate is a small portion of the value of the property. Such gifts may be accepted by the Ministry when the asset involved appears to be a minor portion of the donor's wealth, and the Ministry is satisfied that there has been full disclosure to the donor of the possible future ramifications of the transaction.

C. Gifts of Life Insurance

1. The Ministry will encourage donors to name the Ministry as a beneficiary of all or a portion of a person's life insurance policies.

2. The Ministry will not, however, as a matter of course agree to accept gifts from donors for the purpose of purchasing life insurance on the donor's life. Exceptions to this policy will be made after researching relevant state laws to assure the Ministry has an insurable interest under applicable state law.

3. No insurance products may be endorsed for use in funding gifts to the Ministry. In no event shall lists of the Ministry's donors be furnished

to anyone for the purpose of marketing life insurance for the benefit of donors or the Ministry. This policy is based on the fact that this practice represents a potential conflict of interest, may cause donor relations problems, and may subject the Ministry to state insurance regulation should the activity be construed as involvement in the marketing of life insurance.

D. Retirement Plan Beneficiary Designations

The Ministry welcomes the opportunity to be named as a beneficiary of a donor's retirement plan. Such designation shall be considered a revocable gift and not recorded as revenue until the designation becomes irrevocable, typically at the death of the donor.

E. Trusts

The Ministry welcomes the opportunity to be named as a beneficiary of donors' trusts, such as charitable remainder trusts (CRTs), charitable lead trusts (CLTs), and revocable trust arrangements. However, the Ministry will not serve as a trustee of any trust and instead encourage donors to use a professional fiduciary.

F. Charitable Gift Annuities

The Ministry does not offer charitable gift annuities but welcomes the opportunity to be named as a beneficiary of charitable gift annuities.

III. **Establishing Restricted Accounts**

A. Restricted Funds

1. A gift that is donated with a restricted, intentional use specified by the donor will be considered a restricted gift. The intentional uses can be for a certain region of the world, a regional initiative, or to support the ministry of one or more missionaries. If the ELT determines that the restriction placed upon the gift will result in impracticable use of the gift, the ELT under direction of the Board may suggest another purpose for its use that most nearly accomplishes the donor wishes. If the donor is living, the ELT may make this change only after it obtains written permission from the donor or the donor's guardian. Without this permission or if the donor is deceased, then the Ministry must file suit and request that the court approve a different purpose for the gift. If the donor specifies no restriction, the gift will be used to meet the greatest needs of the Ministry as determined by the ELT. If the unrestricted funds are not needed for the ordinary and everyday expenses of the Ministry, unrestricted gifts may be accepted as an addition to a donor or Ministry

created endowment fund or quasi-endowment fund.

2. The ELT will determine what restricted accounts may be established.

3. Any donor with a gift that exceeds \$5,000 to the Ministry may request in writing to the Ministry the establishment of a restricted account. Once an account is approved and established, the Ministry may accept funds into that account.

4. With written permission from the donor, the Ministry may determine the length of time the account shall exist. When that time has passed, the Ministry must obtain written permission from the donor or donor's guardian to extend the time period. Without this permission or if the donor is deceased, then the Ministry must file suit and request that the court approve a different purpose for the fund. The time restriction or changes to the time restriction will be included in communications to the donor.

B. Disbursing Restricted Funds

1. Restricted funds may only be spent for the purpose for which they are restricted.

2. If, at any time, the Ministry accepts custody of restricted accounts which have not been approved and established by the Ministry, and the Ministry does not intend to use the restricted funds for the purpose for which they are restricted, the Ministry will return the monies to the donor or contact the donor for permission to transfer the funds to another ministry fund or another charity chosen by the donor.

C. Notice to Donors. The Ministry shall include in fund raising, solicitation materials, and donor receipts the following statement:

East-West Ministries International (the Ministry) attempts, whenever consistent with its charitable purpose and budget, to honor requests expressed by our ministry partners and donors regarding the use of their gifts. However, all donations are subject to the Gift Acceptance Policy. In the unforeseen event that a purpose or project cannot be fulfilled as intended within a determined time period, under the direction of the Board and with written permission from a living donor or the donor's guardian or written notice to the donor at the time of the gift, the Ministry may extend the time period or direct the use of preference or restricted gifts for similar purposes, projects, and/or locations. All gifts are under the complete control and discretion of the Ministry to ensure that all funds will be used most effectively to carry out the Ministry's religious and charitable purposes, as required for contributions to be tax-deductible

in the United States. Copies of the Gift Acceptance Policy are available on the Ministry website and in the Ministry Financial Services Office.

IV. Miscellaneous

- A. Ministry employees and volunteers shall not provide legal, accounting, tax, or financial advice to donors or prospective donors.
- B. No finder's fee or commission shall be paid to anyone as consideration for directing a gift to the Ministry.
- C. The Ministry may seek the advice of legal counsel when considering certain gifts. The donor may be asked to share the costs of such advice, at the discretion of the ELT. Generally, legal counsel will be sought in connection with gifts involving:
 - 1. Closely-held stock, and particularly when the stock is subject to restrictions or buy-sell agreements;
 - 2. Gifts involving contracts that bind the Ministry, such as bargain sales or real property with a mortgage attached;
 - 3. Gifts of patents, intangibles, and intellectual property;
 - 4. Transactions with potential conflicts of interest;
 - 5. Other instances at the discretion of the ELT, except that the Ministry shall always seek the advice of legal counsel when accepting a gift outside the parameters of these Gift Acceptance Policies.
- D. It is the responsibility of the donor to secure an appraisal of a gift to the Ministry, when an appraisal is necessary.

This policy was adopted by a resolution of the Board of Directors of the Ministry on the _____ day of ___, 2017.

Signature of President or CEO of the Ministry

[Date]